

The Honorable John H. Chun
The Honorable Richard A. Jones

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

STEPHEN ALEXANDER BAIRD and S-
RAY INCORPORATED,

Defendants,

NO. 3:22-cv-005150JHC

NOTICE OF RELATED CASE

UNITED STATES OF AMERICA,

Plaintiff,

v.

STEPHEN ALEXANDER BAIRD,

Defendant.

NO. CR23-017RAJ

NOTICE OF RELATED CASE

The United States of America respectfully submits the following Notice of Related Case pursuant to Local Rule CrR 13(b):

On March 15, 2022, the Securities and Exchange Commission filed a civil securities fraud action against S-Ray, Incorporated and its former Chief Executive Officer, Stephen Baird (the "SEC Action"). The SEC Action was assigned to the Honorable John H. Chun under cause number 3:22-cv-005150JHC.

The SEC Action alleges that Baird defrauded investors out of at least \$2 million between 2018 and 2021 by making false representations in connection with his sales of S-

1 Ray stock. Baird told investors that S-Ray was developing dental devices that would use
2 ultrasound technology to image patients' mouths. The Complaint alleges Baird made
3 false statements about anticipated sales and revenue, and improperly diverted investment
4 funds to himself and his wife.

5 Neither defendant responded to the SEC Action. On January 6, 2023, Judge Chun
6 entered a default judgment ordering financial and injunctive relief against Baird and S-
7 Ray. Dkt. 28.

8 On February 8, 2023, the grand jury returned an Indictment charging Baird with
9 ten counts of wire fraud in violation of 18 U.S.C. § 1343 (the "Criminal Action"). The
10 Criminal Action was assigned to the Honorable Richard A. Jones under cause number
11 CR23-017RAJ. Like the SEC Action, the Criminal Action alleges that Baird defrauded
12 investors by making misrepresentations in connection with the sale of S-Ray stock. The
13 Indictment alleges Baird's misrepresentations included false statements about the state of
14 S-Ray's product development, regulatory status, and the scope of the company's
15 intellectual property. The Indictment also alleges Baird diverted millions of dollars of
16 investor funds to his personal use. The Indictment alleges Baird defrauded investors out
17 of over \$10.75 million between 2012 and 2021.

18 For these reasons, the SEC Action and the Criminal Action share common issues
19 of fact and law. Accordingly, consistent with Local Rule CR13(b),¹ the United States
20 hereby provides notice to the Court that the two matters captioned above are related. The
21 government takes no position as to whether the cases should be assigned to a common
22 judge.

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26 ¹ By its terms, Local Criminal 13(b) applies only where the related cases are both criminal proceedings. However, it
27 is the practice of the United States Attorney's Office to file a notice of related case when a criminal fraud case
involves the same subject matter as an SEC enforcement action because many of the same issues of judicial
economy are implicated.

1 DATED: February 9, 2023.

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3 NICHOLAS W. BROWN
4 United States Attorney

5 s/ Seth Wilkinson
6 SETH WILKINSON
7 Assistant United States Attorney
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